

# THE GLOBE AND MAIL

SE Business  
 HD **Take advantage of tax changes this year; The taxman has radically changed our tax forms for this tax season, and there have been other changes, too**  
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 WC 901 words  
 PD 6 March 2020  
 SN The Globe and Mail (Breaking News)  
 SC GMBN  
 LA English  
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I'm still waiting for the day when the Canada Revenue Agency simplifies our tax forms. Having said this, I realize that simplification could be a bad thing. The taxman could, for example, reduce the personal tax return to one page. Perhaps you've seen the proposed layout for that form: Line 1 – Enter your total income. Line 2 – Send it in. This would not be good.

As it turns out, the taxman has, in fact, radically changed our tax forms for this tax season, and there have been other changes, too. Today, I want to share the various changes that could affect your tax filings or tax planning this year.

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New tax forms. Jan. 21 was an exciting day for tax geeks because it was the "big reveal," when a new package of tax forms was introduced. Your tax return has now expanded from four pages to eight, attempts to use plain language, uses bigger fonts and more white space, gets rid of Schedule 1 (where your tax used to be calculated) and has changed the line numbers from three or four digits to five. Exciting times.

Canada training credit. This tax credit can be claimed starting on your 2020 tax return for those ages 25 to 65 who incur tuition and training costs at eligible institutions (you'll accumulate \$250 of allowance each year to make this claim, starting in 2019, to a \$5,000 lifetime maximum).

Canada workers benefit. For 2019, the Canada workers benefit (CWB – a refundable tax credit) replaces the working income tax benefit (WITB). The CWB is for low-income earners and is enhanced and more accessible than the WITB.

Home buyers' plan (HBP). The withdrawal limit for the HBP was increased to \$35,000 (from \$25,000) for withdrawals after March 19, 2019. For those who have gone through a marriage breakdown, access to the HBP has been improved.

Medical expense tax credit (METC). Amounts paid for cannabis products to be used by a patient for medical purposes may be eligible for the METC for expenses incurred after Oct. 16, 2018.

Donations of cultural property. To qualify for the enhanced tax relief on donations of cultural property, the property no longer needs to be of national importance, for donations on or after March 19, 2019.

Zero-emission vehicles. If you're self-employed or claiming employment expenses, you may be eligible for enhanced capital cost allowance (CCA, or depreciation expense) of 100 per cent (that is, the full cost

of the vehicle may be deducted, within limits) for certain zero-emission vehicles starting on your 2019 tax return.

Multi-unit residential properties (MURP). If you change the use of a MURP (from income-producing to non-income-producing, or vice versa) on or after March 19, 2019, you can elect that the deemed disposition that would normally apply on a change in use, not apply.

Climate action incentive. Residents of provinces that are subject to the federal government's carbon tax backstop program (Alberta, Saskatchewan, Manitoba and Ontario) can receive climate action incentive payments. You can claim these on your tax return.

Tax-free savings accounts. The contribution limit for TFSAs increased to \$6,000 for 2019 (this limit also applies in 2020). Also, starting in 2019, you could be liable for taxes owing on any business income earned by your TFSA.

Tax credit for digital subscriptions. You can claim a new non-refundable tax credit for amounts paid after 2019 and before 2025 for eligible digital news subscriptions with a qualified Canadian journalism organization (to a maximum of \$75).

Registered disability savings plans (RDSP). Changes introduced in the 2019 budget will make it possible in many cases to keep an RDSP open even if the beneficiary ceases to be eligible for the disability tax credit (DTC). These enhancements apply after 2020, but transitional rules may provide the same result even today if a beneficiary ceases to qualify for the DTC.

Kinship care providers. A care provider may be entitled to claim a child as an eligible dependant for purposes of the CWB and the former WITB, discussed earlier, even if the care provider receives government assistance under a kinship care program. Further, that assistance will no longer be taxable. This applies retroactively back to 2009 and later years.

Automobile deductions and benefits. There are certain limits on the amount of CCA and lease costs that can be deducted for a vehicle. Those limits remain unchanged from 2018 when filing your 2019 tax return. Tax-exempt allowances, however, increased by three cents a kilometre, and operating cost benefits (where your employer covers part of your operating costs) have increased by two cents a kilometre.

Employee stock options. For employee stock options granted after 2019, there will be a limit to the value of options that can be exercised and still be entitled to the stock-option deduction. The limit will be \$200,000 annually.

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**IPD** noastack  
**PUB** The Globe and Mail Inc.  
**AN** Document GMBN000020200306eg36005sd

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